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Natural resource and environment statistics: environmental accounting

Environmental-economic accounting

Report of the Secretary-General

Summary

The present report is submitted to the Statistical Commission in accordance with a request of the Commission at its thirty-fifth session.[a] It presents a proposal for the creation of the Committee on Environmental-Economic Accounting, which was discussed at a meeting organized by the United Nations Statistics Division and the United Nations Environment Programme in September 2004. This technical body would coordinate the further development of the Accounting Framework, ensure its successful implementation in Member States to meet policy needs and facilitate the systematic compilation of related environment statistics. Points for discussion are included in paragraph 20.

[a] *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap. I.A.

* E/CN.3/2005/1.

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I. Introduction

1. The United Nations Statistics Division and the United Nations Environment Programme (UNEP) organized a meeting hosted by the European Environment Agency in September 2004 to discuss a proposal for the creation of a Committee on Environmental-Economic Accounting. The meeting brought together representatives from countries at different stages of implementation of environmental accounting from different regions of the world, as well as international organizations. The minutes of the meeting will be before the Commission as a background document.

2. Countries in the meeting reaffirmed that environmental-economic accounting is high on their agenda. They pointed out that the creation of a Committee on Environmental-Economic Accounting was the way forward to mainstream environmental accounting and related statistics and to raise the profile of the accounts as the tool to measure sustainability of growth and development.

3. Countries clearly expressed the need for promoting integrated economic and environmental information systems as opposed to indicators' lists in order to meet the increasing users' demand for conducting integrated economic and environmental policies. They reiterated that environmental-economic accounting would provide the necessary framework for analysing the impact of economic growth on long-term sustainable development.

4. In response to countries' expressed demand, the United Nations Statistics Division would develop a strategic plan to integrate environment accounting and related statistics in a common framework. The vision of the Division was to mainstream environment accounting to make it a policy-relevant framework and better meet user demand.

5. The present report summarizes the discussion at the above-mentioned meeting and outlines the Division's strategic response to countries' request to support the establishment of a technical body to be named the Committee on Environmental-Economic Accounting.

II. Committee on Environmental-Economic Accounting

6. Although the initial proposal of UNEP and the United Nations Statistics Division was restricted to the creation of a task force that would deal with the promotion and implementation of environmental-economic accounts, it became evident that, in order to effectively advance this new area of statistics, a technical body that would encompass all aspects of environmental-economic accounting should be created. The discussion during the meeting, as well as the responses to a questionnaire[1] which was distributed to the participants prior to the meeting, confirmed this idea, and the following five broad areas of work for the proposed Committee were identified: (a) coordination, (b) promotion of the accounts to the user's community, (c) methodology, (d) technical cooperation and (e) harmonization of data. These areas are discussed in more detail below.

A. Coordination

7. Although it was recognized that the London Group on Environmental Accounting was efficiently coordinating activities in the development of methodologies among its members, there remained a void in terms of overall coordination of activities in environmental-economic accounting. In particular, coordination among agencies active in the environmental field — users and producers of environment statistics and accounting — was considered necessary to raise the profile of environmental-economic accounting. The systematic dissemination of country practices, as well as sharing information on technical cooperation activities, was also considered important. As a result, participants in the meeting recommended that the proposed Committee play a major role in coordinating activities in environmental-economic accounting.

8. In response to these demands, the United Nations Statistics Division would undertake a worldwide scope and compliance assessment of the current data-collection methods being used in countries and current practices in the compilation of environmental-economic accounting. Over time, the Division had planned to develop a reference web site which would contain information of ongoing data-collection activities, an electronic archive of past and recent case studies in environmental accounts, training material in environment statistics and accounting, information on ongoing country projects and a roster of experts. The web site would serve as a "knowledge management" platform on environmental accounting and related statistics for the dissemination and sharing of information (good practices, methodologies etc.).

B. Promotion of the accounts to the users community

9. Raising awareness of the uses of the accounts beyond the statistical community was considered an important activity of the proposed Committee. The accounts were mostly supply driven, at least at the initial stage of compilation, and the users' community was not fully aware of the potential uses of the accounts. The proposed Committee should play a more active role in raising awareness of the potential uses of a well defined internationally endorsed accounting framework that allowed integrating environmental perspectives within economic policies, including income distribution and poverty, international trade, employment, investment, wealth and fiscal policies.

C. Methodology

10. Although the publication of the *Handbook of National Accounting: Integrated Environmental and Economic Accounting* (SEEA 2003) was a major step forward towards the harmonization of concepts and practices in the implementation of environmental-economic accounting, a lot of work was needed to bring SEEA to the level of an internationally adopted standard. A research agenda should include both the harmonization of current practices in areas in which the methodology was already well advanced and the development of best practices in more experimental and high de and areas (valuation of natural resources, non-market services etc.):

D. Technical cooperation

11. The publication of SEEA-2003 had generated renewed interest in environmental-economic accounts. Countries had already and would be in increasing numbers requesting technical assistance in the implementation of the accounts. The proposed Committee should coordinate the development of training materials as well as foster exchanges of best practices.

E. Data harmonization

12. A major constraint to the implementation of accounts was the availability of data. Data were often produced by different agencies and were not always available and suited to be used as such in an accounting framework. Participants emphasized the importance of bringing environment statistics and environmental accounting closer, and urged the proposed Committee to coordinate its activities with other formal bodies dealing with environment statistics, such as the Intersecretariat Working Group on Environment Statistics.

13. The United Nations Statistics Division was working towards the harmonization of relevant environmental data-collection activities with concepts and definitions of environmental accounts. Such harmonization would result in substantial benefits in the quality of the data because it would introduce consistency checks to the environmental data and would also provide additional analytical value. The dissemination of national accounts, complemented with environment statistics information, was a very powerful analytical tool for the derivation of consistent and coherent indicators, such as resource efficiency indicators and resource use as percentage of value added. It would also allow for more in-depth analysis through scenario-modelling using input-output techniques.

F. Organizational structure

14. During the meeting, the organizational structure of the proposed Committee was discussed. Various options were discussed. As for the composition of the proposed Committee, there was a general consensus that members should be senior managers from international agencies and developed and developing countries.

15. There was a clear feeling that the development of specific areas of environmental-economic accounting required technical expertise often available beyond the statistical community. The importance was therefore stressed of developing and maintaining the link with specialists and policy makers. The creation of specific subgroups composed of environmental accountants and other experts that would be responsible for specific time-bound projects was discussed.

16. There was a general concern among participants whether, by undertaking methodological work, the proposed Committee might duplicate the work of the London Group on Environmental Accounting since the London Group provided a forum for the exchange of experience in the field and played a major role in the advancement of methodology. There was general agreement that the London Group should continue to exist and its role would be that of an expert body on which the proposed Committee could rely for the development of methodologies and the review of documents prepared by other subgroups. It was recognized that not all

expertise lay in the London Group and the proposed Committee might have to form technical expert groups dealing with selected issues. Such subgroups could comprise members of the London Group, as well as academia and other experts (scientists, economists etc.).

17. During the meeting, the United Nations Statistics Division offered to serve as secretariat of the proposed Committee, and the United Nations Statistics Division and UNEP offered to co-chair it. Participants welcomed both proposals. The Committee would report to the Statistical Commission.

III. Future work

18. To ensure that, once created, the proposed Committee would operate efficiently and successfully, it was recognized that it should be endowed with additional resources. To that end, UNEP and the United Nations Statistics Division should actively seek funding in terms of either staff seconded to the Division or fund-raising with donor countries. In the meantime, in response to countries' demand, the Division would support the Committee's work until additional funds became available.

19. Detailed terms of reference for the proposed Committee, including time-bound outputs, would be prepared by the United Nations Statistics Division and UNEP. The draft terms of reference would be widely circulated and discussed at the first meeting of the proposed Committee, which was tentatively scheduled for mid-2005.

IV. Points for discussion

20. The Commission may wish to endorse the creation of a Committee on Environmental-Economic Accounting.

Notes

[1] The questionnaire included questions on the status of implementation of environmental accounts in countries, constraints in the implementation of the accounts and possible roles of the Committee. All the replies to the questionnaire are available on the United Nations Statistics Division web site at http://unstats.un.org/unsd/envAccounting/list-of-documents.htm.

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Natural resources and environment statistics:
Environment statistics

Report of the Intersecretariat Working Group on Environment Statistics

Note by the Secretary-General

The Secretary-General has the honour to transmit to the Statistical Commission the report of the Intersecretariat Working Group on Environment Statistics. The report is transmitted to the Commission for information in accordance with a request of the Statistical Commission at its thirty-fifth session.[a] The Commission is requested to take note of the work done in 2004 and the plans for 2005/2006.

* E/CN.3/2005/1.

[a] *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap. I.A.

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Report of the Intersecretariat Working Group on Environment Statistics

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I. Introduction

1. The Intersecretariat Working Group on Environment Statistics[1] was established in 2003, following the decision of the Statistical Commission at its thirty-fourth session.[2] The objectives, terms of reference, organization of work and work programme of the group were endorsed by the Statistical Commission at its thirty-fifth session in 2004.[3]

2. The objective of the group is to firmly anchor environment statistics as part of official statistics by improving and strengthening basic environmental data. That objective is accomplished by enhancing cooperation and by pooling the knowledge bases and resources in the areas of methodological work, data collection and dissemination, training and capacity-building, and the organization of joint events.

3. The present report concerns the work done by the Working Group in 2004 and its plans for 2005 and 2006 in the areas mentioned in paragraph 2.

II. Methodological work

4. According to the work programme of the Working Group, the focus of joint methodological work in 2004 was on water statistics. A water statistics manual was developed by Eurostat to support the water chapter of the joint Organization for Economic Cooperation and Development/Eurostat Questionnaire on the State of the Environment. The manual was tested in the 2004 data collection and will be reviewed on the basis of the feedback from countries. The United Nations Statistics Division (with support from the United Nations Environment Programme) is launching its project on a complementary manual of water statistics, with the objective of providing hands-on guidance to developing countries in the development of water statistics and the completion of the United Nations Statistics Division/United Nations Environment Programme questionnaire. The manual will build upon the Eurostat handbook to ensure consistency of concepts, methods and definitions. As the manual will also complement ongoing work on the forthcoming handbook on integrated environmental and economic water accounting (by the United Nations Statistics Division, Eurostat, and the Division for Sustainable Development), consistency with the requirements of the water accounts is sought.

5. The joint work session on water statistics (20-22 June 2005; see para. 13) will provide substantial input to the manuals. An expert group meeting to be held at the end of 2005 will discuss the first draft of the United Nations Statistics Division manual.

6. In 2006, joint methodological work will focus on waste statistics. Work is ongoing on waste statistics and on material flow analysis and accounting at Eurostat and the Organization for Economic Cooperation and Development. Eurostat is preparing a waste statistics handbook as part of Regulation (EC) No. 2150/2002 of the European Parliament and of the Council of 25 November 2002 on Waste Statistics (Waste Statistics Regulation). The United Nations Statistics Division has also started preparations for the compilation of a complementary manual on waste statistics that would help non-European Union countries to develop their statistical system on wastes.

7. The harmonization of the classifications and terms used by different sources of land use and land cover statistics is also on the agenda of the Working Group. That work will be initiated in close collaboration with agricultural statisticians, and with lead organizations engaged in related work, such as the Food and Agriculture Organization of the United Nations.

III. Data collection

8. 2004 was the year for biennial data collection. The United Nations Statistics Division questionnaire on environment statistics was sent to more than 150 countries in March, for the first time jointly with the United Nations Environment Programme. The joint OECD/Eurostat questionnaire was sent to 39 OECD and European Union member/candidate/partner countries in June and July. A core set of variables for the two questionnaires is identical, but the questionnaires differ in scope and detail to adjust to the capabilities of countries at different levels of development. Data validation is ongoing. The table illustrates the response rates expected for the questionnaires.

Expected response rates to the environment statistics questionnaires

Region	*Countries that received 2004 questionnaire (1)*	*Responses received (2)*	*Additional responses expected (3)*	*No response (4)*	*Expected response rate (percentage) (2)+(3) (1)*
Africa	53	13	12	28	47.17
Asia	44	16	4	24	45.45
Europe	11	8	1	2	81.81
Latin America and the Caribbean	37	21	8	8	78.38
Oceania	8	1	2	5	37.50
United Nations Statistics Division/ United Nations Environment Programme	153	59	27	67	56.21
OECD/Eurostat	39	34	1	4	89.74
World	192	93	28	71	63.02

9. The data collected through the questionnaires are shared among the organizations to avoid duplication and decrease the burden on the countries. The Organization for Economic Cooperation and Development and the United Nations Statistics Division also agreed to collaborate on data collection and share data in relation to the OECD environmental performance reviews carried out in non-OECD countries. Efforts are also made to coordinate and cooperate in data collection and indicator work at the regional and subregional levels, with the regional commissions as well as with the regional offices of UNEP.

10. The Working Group was requested by the Conference of European Statisticians to prepare a paper on further coordination and streamlining

environment statistics activities in Europe. The group will present a joint paper on those issues at the next meeting of the Conference in June 2005. The paper will deal with issues related to the division of tasks and to the quality of environment statistics, and will also reflect on future plans to diversify data collections in terms of scope and frequency, which will create an even larger need for strong coordination.

11. 2006 will be the next year for biennial data collection, which will involve joint work on further harmonization of the questionnaires. 2007 will be a major reporting year, in which updated editions of the United Nations Environment Programme *Global Environmental Outlook*, the *OECD Environmental Outlook* and the pan-European report on the state of the environment are expected to appear. Those major reports will create a huge demand for environmental data during 2005 and 2006.

IV. Training and capacity-building

12. The United Nations Environment Programme co-sponsored a training workshop on environment statistics organized by the United Nations Statistics Division and the Economic and Social Commission for Western Asia (ESCWA) for the ESCWA member countries. The workshop built upon the work done within the frame of the environment statistics component of the Eurostat statistical project in the Mediterranean (MEDSTAT). The Division's training workshop for the member countries of the Economic Community of West African States (ECOWAS) in Senegal in March 2005 will also be organized in collaboration with UNEP. Information on training and capacity-building is being shared, and further possibilities for joint training activities are discussed in the Working Group on a continuous basis.

V. Joint events

13. Following the decision to focus on water statistics in 2004-2005, the first joint event organized by the Working Group will be the joint work session on water statistics. The work session will be held in Vienna from 20 to 22 June 2005. The objectives of the work session will be (a) to review information needed for water policy and how the demand is met by international water statistics and integrated environmental-economic accounting for water resources; and (b) to provide a forum for countries and international organizations to exchange experiences on best practices in the collection, organization and analysis of water statistics. The work session will cover the requirements of both developing and developed countries. The discussions and conclusions will provide input to the United Nations Statistics Division manual on water statistics planned for the end of 2005 and will contribute to the refinement of the questionnaires used in international data collection and compilation.

VI. The second meeting of the Intersecretariat Working Group on Environment Statistics

14. The second meeting of the Working Group was held on 7 October 2004 in Luxembourg, concurrently with the Eurostat plenary meeting on environment statistics and environmental accounting. The meeting of the Working Group was attended by the representatives of the United Nations Statistics Division, the United Nations Environment Programme, the Organization for Economic Cooperation and Development and Eurostat. The Food and Agriculture Organization of the United Nations and the Secretariat of the World Water Assessment Programme were also invited and participated in the meeting. The focus of the agenda was water statistics: an overview of activities carried out by the organizations in that area, the status of the water manuals and the organization of the joint work session on water statistics. The meeting also discussed areas for future joint work in methodology, training and capacity-building, and considered the request of the Conference of European Statisticians to the Working Group for a report on further coordination of activities in environment statistics at the European level.

Notes

[1] The name of the Inter-agency Working Group on Environment Statistics was modified to Intersecretariat Working Group on Environment Statistics to be consistent with other groups reporting to the Statistical Commission. Current members of the Working Group are the United Nations Statistics Division, the Economic Commission for Europe (ECE), the United Nations Environment Programme (UNEP), the Statistical Office of the European Communities (Eurostat) and the Organization for Economic Cooperation and Development (OECD). The secretariat of the Working Group is the United Nations Statistics Division.

[2] See *Official Records of the Economic and Social Council, 2003, Supplement No. 4* (E/2003/24).

[3] See *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24).